



Rice University
Office of the President

February 15, 2006
Ex Parte Presentation
Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: Federal-State Joint Board on Universal Service, CC Docket No. 96-45

Dear Ms. Dortch:

Rice University submits this letter to express our concerns that a number-based contribution mechanism would have a significant and deleterious impact on Rice University's operations as not-for-profit institution of higher education.

The Commission should recognize that enterprise customers include not only Fortune 500 companies, but also many not-for-profit organizations, including colleges and universities, local and state governments, charitable organizations, and medical institutions. These entities do not have the resources to internalize significant increases in regulatory fees.

We have calculated that our per month federal universal service obligation would increase from \$400.00 per-month to over \$10,000.00 per-month if a number-based approach were adopted, assuming that the per-number fee was \$1.00. Rice University does not have budgetary flexibility to offset this substantial increase. If adopted, the FCC's action could create negative impacts, including, but not limited to:

- Redirecting funding from education and research-based programs to the telecommunications budget.
- Reduction and/or the elimination of individual telephone service for students in campus housing.

- The elimination of telephone numbers assigned to professors and researchers operating in multiple locations, thereby limiting their access to students and their research.
- Potential public safety concerns with the elimination of the four-digit dialing within the campus.
- The elimination of number reserves earmarked for future campus priorities.
- Significant delays in efforts to upgrade and modernize telecommunications facilities on campus, limiting our ability to invest in research networks, i.e., Internet2, and new innovative services/technologies.

The Act requires universal service contributions to be equitable, yet based on the current record in this proceeding it remains unclear if a pure number-based approach could fully satisfy this basic requirement of Section 254.

We fully support the goals of universal service, and commend the FCC for their efforts to extend telecommunications services to all Americans. However, the contribution factor for the universal service program has been stable for the last three quarters, which calls into question the need for immediate reform of the current revenue-based approach.

We have further concerns with how non-number-based services, including special access services, would be assessed under a number-based approach, particularly with respect to double billing. Because the majority of our access services already have associated numbers, there is no basis to separately assess special access services in addition to working numbers. It is our understanding that advanced data services for residential customers (DSL and cable modem service) are exempt from universal service obligations. The same exemption should apply equally to enterprise data services and special access services.

Rice University asks the FCC to proceed with caution in adopting a number-based plan that does not account for the specific concerns of the higher education community. While we support efforts to modify a number-based proposal through a hybrid approach or through number equivalencies for enterprise customers (i.e., assessments based on PBX trunks not individual numbers) we suggest that no reform proposals be formally adopted by the Commission until such time as to the full impact of those proposals are studied and understood.

Respectfully submitted,

David W. Leebron
President, Rice University